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31 December 1963

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MEMORANDUM FOR: Executive Officer, DD/S&T

SUBJECT: Program B Fiscal Year 1965 Budget Estimate

REFERENCE: DNRO's Memorandum dated 20 December 1963.
Subject: F. Y. 1965 Budget Estimate

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1. In the course of reading the reference document, a copy of which I believe you have, I noted on page six there was the following interesting statement:

"Satellite general statement:

If it is decided at FY 1965 program time to proceed on [redacted] beyond the extent reflected in the preceding approvals, funds are carried under Director A accounts [redacted]"

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As nearly as I can determine unless the DD/S&T challenges the language and substance of the above statement our failure to do so will be interpreted by the DNRO as agreement in principle to the assignment of any hardware and pay load responsibilities [redacted] satellites to the Director, Program A.

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2. I do not bring this to your attention in order to beat a dead horse, but experience has shown that in dealing with the NRO on policy matters that policy is often validated in the papers which themselves do not appear to be policy documents. I think this is one such instance. If the statement above is not challenged by anyone, at a later date we will be told that we had acceded to the assignment of [redacted] to Program A simply by not protesting the language of the reference. I do not believe that it is Dr. Wheelon's desire for us to be taken out of the satellite business in this fashion. It seems apparent, however, that the long term aim of the NRO staff is to relegate this Agency to the study phase of [redacted] systems coming down the road, but I predict that if we do not make a case of it we will find ourselves in the identical position in the field of

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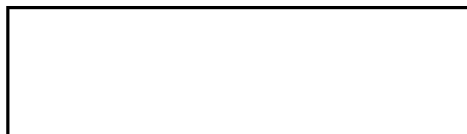
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NRO review(s)
completed.

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advanced manned aircraft and satellite vulnerability systems. At some point I would appreciate the opportunity to discuss this further with you, but in the meantime I would appreciate it if you would sound out Dr. Wheelon on his reaction.



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JAMES A. CUNNINGHAM, JR.
Deputy Assistant Director
(Special Activities)

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